

**Department of Justice**  
U.S. Attorney's Office  
Northern District of Georgia

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## **Three sentenced for five million dollar tax fraud**

ATLANTA - Kim A. Earlycutt, Shannon A. King, and Marcia Farmer, have been sentenced for conspiring to submit false tax returns totaling more than \$5 million over the course of four years.

“The defendants went to great lengths to steal tax money from the IRS, with the twist in this case that they used stolen identities of foreign nationals to seek phony refunds,” said U. S. Attorney John Horn. “It all comes back to basic theft to enrich themselves at the expense of the taxpayers.”

“Identity theft continues to victimize unknowing individuals as well as the Internal Revenue Service. If you steal someone’s identity and file false tax returns, you will be prosecuted,” said Acting Special Agent in Charge, James E. Dorsey, IRS Criminal Investigation. “These sentencings should serve as a clear message to the public, theft will cost you significant jail time.”

“This is a great example of a joint investigation in which the financial footprints of these defendants were uncovered to gather evidence to bring them to justice. The prison sentences sent a strong message that we will continue to aggressively investigate criminals that engage in fraudulent schemes,” said David M. McGinnis, U.S. Postal Inspector in Charge of the Charlotte Division. “Together we will continue to be vigilant in disrupting criminal organizations who illegally utilize the U.S. Postal Service.”

“The United States Secret Service will continue to collaborate with our law enforcement partners and prosecutors to ensure that nefarious individuals who violate their positions of trust to illegally enrich themselves are put behind bars,” said Kenneth Cronin, Special Agent in Charge of the U.S. Secret Service, Atlanta Field Office. “This sentencing should be a warning to other like-minded criminals and their conspirators that stealing from the American people will not go unpunished.”

According to U.S. Attorney Horn, the charges and other information presented in court: The three defendants obtained identity documents of foreign nationals and forged foreign identity documents in connection with their work at T&K Tax Services and More, which Earlycutt partially owned. Using these identity documents, the defendants submitted IRS W-7 forms to get individual taxpayer identification numbers (ITINs). The defendants then created false and fraudulent tax claim forms, specifically Forms 1040, or individual income tax returns, using these ITINs. Included with these Forms 1040 were falsified W-2 forms, which had fraudulent employer information, income, withholding amounts, and deduction amounts.

The defendants filed the fraudulent tax returns with the IRS, by mailing them and by using T&K's electronic filing number. The tax returns all contained requests for refunds which were not actually due. The defendants enriched themselves by retaining a portion of the tax refunds that had been fraudulently obtained, including in some instances the entire refund. In all, they sought refunds in excess of \$7 million and actually received over \$5 million in fraudulent refunds. They used these fraudulent funds to pay personal expenses, including paying their personal automobile insurance. One defendant, Kim Earlycutt, used the fraudulent funds for gambling.

Kim A. Earlycutt, 54, of Covington, Georgia, was sentenced to nine years in prison to be followed by three years of supervised release, and ordered to pay restitution in the amount of \$5,222,634. Earlycutt was convicted on these charges on June 15, 2017, after she pleaded guilty.

Shannon A. King, 37, of Lithonia, Georgia, was sentenced to four years, six months in prison to be followed by three years of supervised release, and ordered to pay restitution in the amount of \$2,596,169. King was convicted on these charges on June 15, 2017, after he pleaded guilty.

Marcia Farmer, 51, of Snellville, Georgia, was sentenced to one year, six months in prison to be followed by nine months of home confinement, and three years of supervised release. She was ordered to pay restitution in the amount of \$3,370,811. Farmer was convicted on these charges on October 28, 2016, after she pleaded guilty.

All three were sentenced by U.S. District Judge Leigh Martin May.

This case was investigated by the Internal Revenue Service Criminal Investigation, the U.S. Postal Inspection Service, and the U.S. Secret Service.

Assistant U.S. Attorney Christopher J. Huber prosecuted the case.